

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6591

BILL NUMBER: HB 1052

NOTE PREPARED: Feb 3, 2005

BILL AMENDED:

SUBJECT: Lottery Commission Audit.

FIRST AUTHOR: Rep. Borror

FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: The bill requires the State Board of Accounts to annually audit the operations of the Lottery.

Effective Date: July 1, 2005.

Explanation of State Expenditures: It is estimated that the bill would result in additional annual auditing cost of about \$56,500 to the Hoosier Lottery.

The bill requires the State Board of Accounts to annually audit the operations of the Hoosier Lottery. (Current statute *authorizes* the State Board of Accounts to audit, at any time, any phase of the Lottery operations.) The bill also requires that the Lottery Commission reimburse the State Board of Accounts for all costs of the audit. It is estimated that the State Board of Accounts could perform compliance and financial audits of the Lottery for approximately \$56,500 per year. This assumes a full-cost audit at the current rate of \$56.49 per hour.

It is important to note that the bill does not change the requirement under current statute for the State Budget Agency to contract annually with a CPA for a financial audit of the Lottery Commission. Under current statute, unchanged by the bill, the Lottery Commission is required to pay the cost of this audit. The cost of the current annual audit contract is \$66,500.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Lottery Commission, State Board of Accounts.

Local Agencies Affected:

Information Sources: Dihann Kinsworthy, State Budget Agency, (317) 232-7221; Mike Hoose, State Board of Accounts, (317) 232-2525.

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